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MINNESOTA FARM MANAGEMENT SERVICE NOTES

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Prepared by the Farm Management Group at University Farm, St. Paul, Minn.

THE SHEEP SITUATION

Trends in Sheep Production

The maximum world production of sheep was reached about 1900. There was a gradual decline from that time until the beginning of the World War in 1914. Following the outbreak of the World War there was a sharp decline which lasted until the close of the war. Since the war the world production of sheep has increased somewhat in response to higher prices for wool and lambs.

As reported by the United States Department of Agriculture, the sheep industry appears to be on the increase in most parts of the United States. Sheep are to some extent replacing cattle on the ranges. The extent of the replacement will depend largely on comparative prices and profits. The depression in production in 1922 and 1923 caused by low prices for wool and sheep in 1920 and 1921 seems to have been overcome. The tendency at the present time is for still further increase in sheep production. The table below gives the sheep on farms in the United States and Minnesota, for the years 1920 to 1925, inclusive. The table indicates the depression of 1922-1923 and the increase that has followed.

SHEEP ON FARMS IN THE UNITED STATES AND MINNESOTA 1920-1925.

(000 omitted)

	1920	1921	1922	1923	1924	1925
United States	39,025	37,452	36,327	37,223	38,300	39,134
Minnesota	509	468	445	400	428	462

At the present time there is a definite tendency to increase sheep in many sections because of good prices for wool and lambs. Farmers are again building up good breeding flocks which adds to the optimism prevailing in the minds of those following the sheep industry. It is likely that further expansion will still be profitable because the supply of other classes of livestock is nearly up to effective demand while the supply of wool and lambs is not. Even tho there should be a drop in the prices of lambs sheep raising should be profitable because of the strong prices for wool. On the whole, the outlook for sheep raising is hopeful with fairly good prices for wool in sight for the next few years. Moderate expansion is believed to be safe.

Andrew Boss.

Trends in Sheep Prices

On January 1, 1925 the United States Department of Agriculture reported the average price of sheep as \$9.53. This was higher than at any time in the history of such reports except for the three years of 1918, 1919, and 1920. If one makes the calculation on a purchasing power basis, the January 1, 1925 price was higher than in any year except 1918. During the past several years many people have come to believe that lambs nearly always sell at a much higher price than hogs or fat steers. However, over a period of twenty-two years, the average price of lambs at Chicago has been only 74 cents per cwt. above that for hogs and 79 cents above that for corn-fed steers. During these twenty-two years there were eight years when average hogs were higher than lambs and five years when corn-fed steers were higher than lambs.

During 1923 and 1924, wool was even higher in relation to 1910-14 prices than lambs. During 1924, the price index of wool was 209 compared to 181 for lambs. The price index for wool was higher than for any important agricultural product in the United States, with lambs a close second. During the past several years, some have advanced the proposal, that as wool is subject to a tariff of 31 cents per pound of scoured wool and as the United States is producing less than half the wool that it consumes, the number of sheep could be doubled with profit to the producers. They seem to forget that in the Central West the income from wool is ordinarily only a quarter to a third of that received from the lambs. Furthermore, if the production of wool were to be so greatly increased, there would be a nearly proportionate increase in the production of lambs, with probably disastrous results on the lamb market.

Still another important factor is that present prices for wool are in all probability sufficiently high to stimulate increased production in those countries that depend on foreign markets for their wool.

The conclusion would be that the sheep business should not be ^{unduly} expanded upon the assumption that lamb prices are likely to be decidedly better than prices for hogs or corn-fed steers over a period of years. Any expansion at the present time is likely to run into unusually high depreciation charges due to the fact that the depreciation from a decline in the market may have to be added to the usual depreciation from age, parasites, dogs and wolves.

W. L. Cavert.

The Where and Who of Sheep Production

In the past sheep have been looked upon as a frontier industry. A large part of the mutton has been produced from large flocks of sheep on cheap grazing lands in unsettled areas. Because of this custom sheep have not been looked upon very favorably in the sections of the country not conducive to this type of mutton production. In some areas of the corn belt sheep are shipped in from the ranges and fed successfully in open yards. In these areas it is cheaper to ship the sheep to the feed centers rather than to ship the feed to the sheep.

Minnesota has no cheap grazing land available for the large scale sheep raising. The surplus corn area would limit the open yard feeding to the southern section of the state, but the competition from cattle and hogs makes it questionable if this type of sheep production would be profitable. This makes the "farm flock" method of sheep raising most adaptable to Minnesota and it is safe to assert that the expansion the sheep industry in the northwest is likely to have in the future will be thru the "farm flock" type. This form of production consists of a small flock of sheep handled pretty much on the plan that it does not interfere seriously with other enterprises and at the same time contributes something to the farm income.

Sheep will eat most any kind of forage, get a large part of their feed from plants and other materials which would otherwise go to waste, in addition to helping control the weed problem and making use of waste land. Because of the large per cent of unmarketable feed they consume and the relatively small amount of labor they require they return more for feed and labor than most other kinds of livestock.

While sheep, on the farm flock basis, require but a small investment to begin with, a farmer not now handling sheep would have to purchase foundation stock and possibly do some building or remodeling for housing facilities. Before making such investments one should assure himself that this enterprise would return a profit comparable to other livestock enterprises over a period of years and after the sheep business gets into economic balance with other livestock enterprises. The proper adjustment with other livestock enterprises may take but a few years or it may take many depending somewhat upon conditions not under the control of the individual.

The most important problem as to who should grow sheep is the farmer himself. Farmers are no doubt less familiar with the habits and requirements of sheep than of any other kind of livestock and it will require extra study and effort for those not already informed to equip themselves for the successful handling of sheep. If one has had no experience with sheep he should begin with a few and learn to handle them successfully as this business on a larger scale often proves expensive to the inexperienced grower. Many farmers are going to fail with this enterprise because the enthusiasm to expand the sheep industry has induced them to go into something for which they are not fitted.

It would seem that a small flock would fit into most any farm business in Minnesota without interfering with other livestock enterprises. In Northern Minnesota where wolves and dogs are a menace and where the amount of feed necessary for carrying thru the winter is limited, sheep may not prove profitable. Farmers in the southern or western, as well as the Red River Valley section, who can or will take time to learn how to handle sheep can secure moderate returns without much extra cost if handled on a farm flock basis.

L. F. Garey.